



DEPARTMENT OF COMMERCE  
Foreign-Trade Zones Board  
[B-51-2016]

Foreign-Trade Zone (FTZ) 126 – Reno, Nevada  
Notification of Proposed Production Activity  
Tesla Motors, Inc.  
Subzone 126D

(Lithium-Ion Batteries, Electric Motors and Stationary Energy Storage Systems)  
Sparks, Nevada

The Economic Development Authority of Western Nevada, grantee of FTZ 126, submitted a notification of proposed production activity to the FTZ Board on behalf Tesla Motors, Inc. (Tesla), operator of Subzone 126D, for its facility located in Sparks, Nevada. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on July 20, 2016.

The facility is used for the production of lithium-ion batteries, electric motors and stationary energy storage systems. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials and components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Tesla from customs duty payments on the foreign-status materials and components used in export production. On its domestic sales, Tesla would be able to choose the duty rates during customs entry procedures that apply to lithium-ion batteries/cells/modules, electric motors, and stationary energy storage systems (duty rates – 2.8% or 3.4%) for the foreign-status inputs noted below. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The components and materials sourced from abroad include: carbon black; silicon oxide; nickel cobalt aluminum cathode material; coolants; ethyl methyl carbonate; ethylene carbonate; n-methyl-2-pyrrolidone; preparations based on carbon black; lubricants for gears; automatic transmission fluid lubricants; grease; adhesives; epoxy hardeners; graphite; joint compound; battery electrolyte; carbon black solution (AB paste); sealants; methacrylate-butadiene-styrene (MBS) copolymers; polyvinylidene fluoride (PVDF); carboxymethylcellulose (CMC); electrical tape; polyethylene separators; polypropylene separators; plastic tubing/fittings for hoses/gap pads/bags/caps and closures/plugs/trays/baffle inserts/brackets/cable supports/cable ties/clips/fasteners/gaskets/heatshrink/mounts and fittings/o-rings/seals/pipes for stators/covers for converters; plastic self-adhesive sheets in rolls/tapes/films/labels/strips; butadiene-styrene-alkyl-methacrylate copolymer; styrene-butadiene rubber (SBR); rubber hoses/o-rings/seals/bumpers/grommets/isolator bushings; labels; nickel-plated steel sheets; steel pipes for rotors/pipe bends and elbow fittings/other pipe fittings/tubefittings/mesh/bolts/screws/locknuts/nuts/plugs/studs/washers/dowel pins/springs/caps/clamps/clips/retainer plates/rings; copper profiles for rotors/bars for rotors/shield plates/foil/ferrules; brass standoffs; nickel alloy plates; nickel copper tabs (copper ribbon); aluminum alloy bonding wire and sheets; aluminum foil/tube fittings/spacers/discs/clamps/plugs/cooling tubes/capacitors; tubular keys; metal hinges/brackets for motor vehicles/fittings for motor vehicles/brackets and mounts suitable for buildings/brackets/fittings/mounts/latches/spacers for rotors; braze rings; displacement pumps; electric oil pumps; centrifugal pumps; compressors; fans; parts of compressors; battery chillers; heat exchangers; radiator/condenser assemblies; parts of heat exchangers; parts of radiators; oil filters; housings for air filters; parts of air filters; parts of oil filters; air particle separators;

pressure relief valves; check valves; breather valves; coolant manifolds; parts of breather valves; valve bodies; drive unit assemblies; bearing endbells; heat sinks for drive units; housings for motors; inverter gearcases; laminations for stators; motor gearcases; parts of bearing endbells; parts of encoders; parts of gearcases; parts of heat sinks to drive units; other parts of motors; rotor endcaps; rotor shafts; rotor stacks; rotors; stator stacks; stators; electrical transformers; drive inverters; power supplies; ferrite beads; power inductors; doors for thermal power supplies; housings for drive inverters; parts of drive inverters; parts of manifolds for inverters; parts of power supplies; printed circuit board assemblies for converters; printed circuit board assemblies for power supplies; magnets; finished lithium-ion batteries; finished lithium-ion batteries for electrically powered vehicles; battery exhaust ducts; connectors for batteries; enclosures for finished battery packs (and parts thereof); fittings for lithium-ion battery cells; fittings for lithium-ion battery modules; insulators for lithium-ion battery modules; layer and aramid heat resistance layers (separators); lithium-ion battery cells; lithium-ion battery modules; multilayer laminated film layered by polyolefin base; parts of heat sinks to lithium-ion batteries, parts of lithium-ion battery cells and modules; side rails for lithium-ion battery enclosures; steel enclosures for batteries (and parts thereof); terminal plates; top plates for lithium-ion battery cells; vents; capacitors; single layer ceramic dielectrics; multilayer ceramic dielectrics; fixed film resistors; fixed resistors; thermistors; flexible printed circuit board assemblies; fuses; grounding wires; electrical relays; electrical switches; connectors for printed circuit board assemblies; pin receptacles; wire harness connectors; busbars; electrical connectors; junction boxes; lug connectors; terminal lugs; terminals; controller boards; switchboards; housings for controllers; housings for junction boxes; housings for plastic connectors; metal contacts; molded parts for printed circuit board assemblies; parts of connectors; parts of fuses; plates for junction boxes;

printed circuit board assemblies for controllers; printed circuit board assemblies; diodes; transient voltage suppression (TVS) diodes; transistors; LED lights; programmable integrated circuits; operational amplifiers; other integrated circuits; crystal oscillators; encoder wheels; wire harnesses; thermal barriers; ceramic insulators; plastic insulating fittings; cross shafts; gear box coolers; intermediate shafts; parts of gears; pinion gears; differential roll pins; differentials; housings for differentials; parts of differentials; parts of drive shafts; baffles for oil pans; sensors; and, thermal regulators (duty rate ranges from free to 8.5%).

Public comment is invited from interested parties. Submissions shall be addressed to the FTZ Board's Executive Secretary at the address below. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the FTZ Board's website, which is accessible via [www.trade.gov/ftz](http://www.trade.gov/ftz).

For further information, contact Diane Finver at [Diane.Finver@trade.gov](mailto:Diane.Finver@trade.gov) or (202) 482-1367.

Dated: August 2, 2016.

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Andrew McGilvray,  
Executive Secretary.

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